

## Message Text

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12

ACTION EUR-12

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E.O. 11652: N/A

TAGS: EFIN, EGEN SP

SUBJ: KEY SPANISH ECONOMIC STATISTICS

BEGIN LIMITED OFFICIAL USE

1. WITH SPAIN IN TRANSITION PERIOD IT IS EVIDENT THAT ECONOMIC CONDITIONS IN GENERAL AND PRESENT PROBLEMS OF INFLATION, BALANCE OF PAYMENTS DEFICITS, AND UNEMPLOYMENT, IN PARTICULAR, WILL PLAY INCREASINGLY IMPORTANT ROLE IN POLITICAL SITUATION. WITH THIS IN MIND EMBASSY BELIEVES IT WOULD BE USEFUL TO PROVIDE WASHINGTON ON MONTHLY BASIS UNCLASSIFIED CABLE PROVIDING AVAILABLE KEY STATISTICS FOR JUDGING TRENDS IN SPANISH ECONOMY. WE HOPE THESE WILL BE HELPFUL SUPPLEMENT TO OUR OTHER REPORTING ON SPANISH ECONOMY AND TO REGULAR CERP PUBLICATIONS FURNISHED DEPARTMENT.

2. SOME OF THE FIGURES IN FOLLOWING TABLE ARE UNDOUBTEDLY LESS RELIABLE THAN OTHERS. COST OF LIVING INDEX IS BASED ON OUTDATED (1968) MARKET BASKET AND IS NO LONGER ENTIRELY REPRESENTATIVE OF AVERAGE CONSUMPTION PATTERNS BUT FIGURE IS NOT, AS SOME SUPPOSE, A CONSCIOUS EFFORT BY GOS TO DISTORT FACTS. IF ACTUAL RATE OF INFLATION IS HIGHER, IT IS ALMOST CERTAINLY NOT THE 6-10 POINTS HIGHER THAT SOME,

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INCLUDING CERTAIN WESTERN MEDIA, CLAIM. GOVERNMENT UNEMPLOY-

MENT FIGURES, WE ARE TOLD, MAY BE ONLY HALF ACTUAL FIGURE, DUE LARGELY TO LIMITED SURVEYING TECHNIQUES; ALSO, THEY DO NOT SHOW REGIONAL AND SECTORAL VARIATIONS WHICH ARE CONSIDERABLE. FIGURES DO, HOWEVER, CLEARLY SHOW A TREND TOWARD INCREASED UNEMPLOYMENT, ALTHOUGH EVEN HIGHEST ESTIMATES -- ON ORDER OF 4-4.5 PERCENT FOR SPAIN AS A WHOLE -- ARE STILL COMPARATIVELY LOW.

3. OF MOST IMMEDIATE CONCERN TODAY TO MANAGERS OF GOS ECONOMY IS BALANCE OF PAYMENTS PICTURE WHERE TRADE DEFICIT FOR FIRST FOUR MONTHS HAS BEEN INTOLERABLY HIGH. GOS HAS SO FAR REFRAINED FROM IMPOSING IMPORT RESTRICTIONS AND HAS BEEN ABLE TO MAINTAIN HIGH RESERVE LEVEL THROUGH FOREIGN BORROWING, BUT HAS GROWN INCREASINGLY CONCERNED OVER PERSISTENT WORSENING IN BALANCE OF PAYMENTS.

4. EMBASSY WOULD WELCOME DEPARTMENT COMMENTS ON FOLLOWING TABLE AND ANY SUGGESTIONS FOR OTHER FIGURES WASHINGTON MIGHT FIND USEFUL ON MONTHLY BASIS.

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BEGIN UNCLASSIFIED

YEAR END	PERCENT CHANGE		
OR ENTIRE	1975	COMPARED WITH	
YEAR 1974	SAME PERIOD		
	1974		
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#### COST OF LIVING INDEX (4/75)

(1968-100) (PROVISIONAL) 177.3 185.8 17.2

#### INDUST.PRODUCTION (TREND)

(3/75) A/ 339.8 317.4 -12.9

IMPORTS (4/75) B/ 15,425.2 5,767.1 26.6

EXPORTS (4/75) B/ 7,090.1 2,633.1 22.6

#### BALANCE OF TRADE DEFICIT

(4/75) B/ 8,335.1 3,134.0 30.1

#### FOREIGN EXCHANGE RESERVES

(5/75) (PROVISIONAL) B/ C/ 6,002.3 5,638.6 -8.7

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#### NUMBER OF TOURISTS (JAN-

APRIL, 1975) (PROV.) 30,345.3 5,258.9 -14.3

#### TOURIST REVENUES (JAN-MARCH,

1975) B/ 3,187.9 589.3 14.0

#### NET TRANSFERS (JAN-MARCH,

1975) B/ 1,134.3 304.4 43.4

UNEMPLOYMENT (TREND)(4/75) D/ 241.6 283.2 74.4

MONEY SUPPLY (4/75) E/ 1,536.2 1,584.9 12.6

A/ - TREND SINCE MARCH 1974 PEAK HAS BEEN A STEADY DECLINE.

B/ - IN MILLIONS OF DOLLARS, LARGELY REMITTANCES FROM EMIGRANT WORKERS.

C/ - IN MAY 1975 RESERVES INCREASED \$53 MILLION; IN MAY 1974 THEY DECLINED \$89.3 MILLION; SINCE MAY 30, 1974 RESERVES HAVE DECLINED \$536 MILLION. BORROWING SO FAR IN 1975 INCLUDES SOME \$375 MILLION FROM THE IMF OIL FACILITY.

D/ - THOUSANDS OF PERSONS (ACTUAL NUMBER UNEMPLOYED AS OF APRIL 30, 1975 LISTED AS 294,053).

E/ - CASH AND DEMAND DEPOSITS IN BILLIONS OF PESETAS, SEASONALLY ADJUSTED.

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## Message Attributes

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